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SAN FRANCISCO REDEVELOPMENT AGENCY

MISSION STATEMENT

Housing and Economic Development Policies

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MISSION STATEMENT
FOR THE
SAN FRANCISCO REDEVELOPMENT AGENCY

INTRODUCTION

The San Francisco Redevelopment Agency (SFRA) is entering a new period with the proposed use of tax increment funding. The new period marks a break with the past role of the SFRA in which it engaged in redevelopment programs as a semi-independent agency, concerned mainly with the completion of plans it devised in only part of the City.

The Agency's mission has evolved toward a comprehensive view of the City as a whole and cooperation with other City agencies and community and neighborhood groups aimed at solving citywide housing and development problems defined by elected officials and citizens of San Francisco.

A guiding principal is one of using the special tools of the Agency to assist neighborhoods and communities to plan their own solutions to their problems and to help in the development of neighborhood based programs to achieve those solutions. Also, the Agency will and must be responsive to citywide housing and developmental initiatives stimulated by elected officials.

COMPLETION OF EXISTING PROJECTS

The SFRA still has some unfinished business which must be completed. It must complete these existing commitments on time and within specified budgets so that scarce tax dollars available to the SFRA can be used to tackle citywide goals of increased affordable housing production and economic development initiatives, particularly to serve lower income residents. Fixed budgets and achievable schedules for the completion of these existing project areas will be developed.

Yerba Buena Center

The completion of the Gardens, its cultural complexes and magnificent open spaces, the development of remaining parcels, the assurance of employment opportunities in the major commercial complexes of the project, and the completion of a new, quality residential neighborhood will be accomplished on schedule and within budget.

Western Addition and Bayview/Hunters Point

While the project area plans for these two critically important areas are nearing completion, residents have raised concerns about additional community needs which must be considered in achieving the promise of redevelopment. These must be addressed in a partnership aimed at maximizing affordable housing production, community serving economic development, assurance of employment opportunities, and quality of life initiatives.

To that end, tax increment funds allocated to the Agency from the Western Addition A-2, Hunters Point, and India Basin Industrial Park Redevelopment Areas will be applied in the Western Addition, Hunters Point, and South Bayshore to complete activities planned and

implemented in collaboration with area residents. (This does not preclude the use of additional tax increment funds resulting from the merger.)

Beyond issues of project completion, in cooperation with the Mayor's Office of Housing and others, the Agency will work toward the preservation and conservation of affordable housing at risk due to the withdrawal of Federal subsidies.

Rincon Point/South Beach

Completion of infrastructural development including mass transit and waterfront parks must be completed in a timely and cost efficient manner to insure the beginnings of a new waterfront residential neighborhood.

NEW PROGRAMS

The SFRA will use its special powers to assist ongoing community efforts to create more affordable housing and offer new economic development opportunities to lower income neighborhoods as well as addressing citywide economic concerns. The SFRA will also assist in ongoing efforts to improve the quality of life in neighborhoods and the entire city.

Financing New Affordable Housing Citywide

The SFRA will assist ongoing efforts of other City agencies and community based and other non-profit affordable housing producers in increasing the supply of housing targeted for lower income households. Using its financial powers and funding sources available only to the SFRA, the Agency will, in consultation with affordable housing producers, both non-profit and profit motivated, develop funding mechanisms for the increased production of permanently affordable housing.

Support and Enhance Community Initiatives for New Neighborhood Serving Economic Opportunities

Affordable housing, by itself, cannot solve the problems facing lower income San Franciscans. There must be as well new opportunities for residents of our City for meaningful employment through:

* Participation in multi-agency planning efforts including Fishermans Wharf area, South Bayshore and other areas of the City which will lead to comprehensive economic development programs tailored to the specific needs of San Francisco's residents and economy.

* Tasks and projects assigned by our City Government in response to specific opportunities affecting our City's economic future.

* Collaborative community based problem solving to reconsider the human needs in its existing lower income, residential project areas - YBC, South of Market, the Western Addition and Hunters Point/Bayview - which will lead to creative multi-disciplinary responses.

HOUSING POLICY

The following criteria govern the use of all San Francisco Redevelopment Agency housing funds for the provision of low and moderate income housing:

(1) That over the next 12 years, it be the clear intent of the Agency to use over 50% of the total tax increment funds allocated for Agency activities by the Mayor and Board of Supervisors for low and moderate income housing. In a given year, no less than 25% of tax increment funds shall be used for affordable housing.

(2) That low and moderate income families be defined as up to 120% of median income for first-time home buyers (with an average of 100%) and under 80% for renters. In a given year, no less than 25% of housing trust funds will be utilized for families with incomes under 50% of median income.

(3) That neighborhood citizen organizations be consulted and advise the Agency on all proposed housing undertakings in their area.

(4) That neighborhood based and other non-profit housing development corporations be, where feasible, priority participants in new construction and rehabilitation.

(5) That local (City and SFRA) funds be "leveraged" to produce as much low and moderate income housing for the public dollars invested with the deepest affordability possible.

(6) That private enterprise be utilized in the housing effort, as appropriate, in financing, utilizing tax credits, and depreciation, with maximum leverage of public funds a major criterion.

(7) That housing assisted by these funds be affordable by low and moderate income families for the life of the project unless financing or legal impediments require a lesser period of time--but in no event shall this be for less than 50 years.

(8) That the Agency Commission shall approve with the Agency's annual Financial Plan, after hearings on a draft document to receive public and community recommendations, an annual "Tax Increment/Housing Funds Program" that: (a) reports all actual expenditures by the Agency on housing programs during the previous two years; (b) identifies all housing funds from any source presently held by or receivable to the Agency, whether committed or unallocated; (c) identifies all housing funds anticipated to be received by the Agency from all sources in the next year and thereafter, and any restrictions on their use; (d) states City and Agency policy objectives for the use of these funds, including allocations for specific projects or housing programs insofar as is known or projected.

(9) The Redevelopment Commission shall approve all specific project allocations of Agency housing funds.

NOTE A: This policy is prospective and there are ongoing activities that may differ from the above.

NOTE B: There will be a coordinating committee for affordable housing under the Deputy Mayor for Housing and Neighborhoods the procedures for which shall be set out in a memorandum of understanding.

(ADOPTED 4/11/89)

ECONOMIC DEVELOPMENT POLICY

The San Francisco Redevelopment Agency intends to foster local small business participation in all existing and any future redevelopment project areas in order to further one of the state declared fundamental purposes of redevelopment, namely "to expand employment opportunities for jobless, underemployed, and low-income persons, and to provide an environment for the social, economic and psychological growth and well-being of all citizens".* The Agency's emphasis will be in minority communities where the need is greatest.

It is proposed to do so under the following program with the emphasis in minority communities as noted above.

I. The Agency proposes to request in its annual budget that a minimum of 5% of annual tax increment funds be made available for local small business development.

   A. The Agency, in order to target and focus the nature and kind of assistance needed and to devise an action plan, will conduct or cause to be conducted surveys of all small businesses in Redevelopment Project areas and a sample of small businesses outside of these areas to identify specific problems confronting them, their stability, and expansion prospects.

   B. The Agency will contract with economic development corporations which provide technical assistance services to local small businesses. Such services may include marketing studies, loan packaging, preparation of business plans, record keeping, bookkeeping, payroll services and tax assistance, among other activities. The Agency will also seek the leverage of funds by economic development corporations to maximize the impact of public dollars to assist in business formation and stability.

   C. The Agency, with community input and in cooperation with the Mayor's Office of Economic Development, will work in the Redevelopment Project areas to establish a revolving loan fund which can be used for assistance for loans or direct investments in local small businesses and to community residents wishing to start or expand businesses. The assistance may be in the form of loan funds for working capital, inventory, purchase of equipment, furniture, fixtures, leasehold and facade improvements or direct investment. Use of these funds as a direct rent subsidy, where appropriate, will be explored. Joint efforts in this area will also be explored to augment existing City loan programs addressing these issues.

   D. The Agency will encourage, and require where appropriate, that small local businesses assisted by the Agency provide employment opportunities for jobless, underemployed and low income persons.

II. In addition, the Agency will do the following:

A. Continue to encourage local small contractors, consultants, providers and suppliers in Agency contracting and purchasing.

B. Explore with the Mayor's Office of Economic Development, other City departments and economic development corporations:

1. The use of job training funds to provide specific on-the-job training and "tailored" classroom training. Such funds can generate tax credits for participating businesses.

2. Assistance to local small entrepreneurs in entering franchised businesses.

3. The development of business incubator facilities in which start-up and expansion of such entrepreneurs and community residents can share common space and services to achieve reduced rent levels and benefit from individualized management assistance.

In addition to the foregoing economic development policy, the Agency will continue to encourage minority and local participation in development, which may include joint ventures, in all Redevelopment Project Areas.

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* California Health & Safety Code, Section 33071

(ADOPTED 4/11/89)

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